



## U.S. Department of Justice

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District of New Hampshire*

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### **MEDIA RELEASE**

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### **NEW YORK MAN PLEADS GUILTY TO \$3 MILLION FRAUD**

**CONCORD, NEW HAMPSHIRE:** United States Attorney Tom Colantuono announced today that Darren Franceski, age 41, of Schenectady, NY, admitted his role in a \$3,000,000 fraud scheme and pleaded guilty to wire fraud in United States District Court on January 2, 2003. When Franceski is sentenced by United States District Court Judge Steven McAuliffe on April 21, 2003, he could receive a prison term of up to five years, be fined up to \$250,000 and be ordered to pay over \$3,000,000 in restitution.

During yesterday's court hearing, Franceski admitted that while working for CPI, an Albany, New York corporation, he purchased Compaq Computer products from a wholesale distributor of Compaq Computer products, Pinacor, Inc., an Arizona corporation, by falsely representing to Pinacor that the products would be delivered to General Electric Corporation, a company to whom Compaq had agreed to sell the products at greatly reduced prices. Franceski also admitted that when the products were delivered by Pinacor to CPI, they were sold instead to a New Hampshire company. Franceski also acknowledged that he, along with two business partners, took half of the illegal profits, passing along the other half to the New Hampshire company which resold the products. Franceski admitted that the fraud scheme resulted in losses to Compaq Computer, now Hewlett Packard, in excess of \$3 million.

Franceski is the fourth participant in the scheme to plead guilty. Two of his co-conspirators, Troy Goins and Todd Gillett, have already been sentenced to prison terms. A third conspirator, Wayne Baskett, is scheduled to be sentenced on March 17, 2003. In previous court hearings, Goins, Gillett and Baskett acknowledged that they concealed their participation in the scheme from their former employer, Pinacor.

After yesterday's hearing was completed, U.S. Attorney Colantuono said, "This office continues to bring to justice those who engage in such business fraud schemes. This case, with its four guilty pleas to date, stands as a warning to those who profit from business fraud that they will be held accountable when they engage in criminal activity in New Hampshire."

The case is being investigated by the Federal Bureau of Investigation and prosecuted by Assistant United States Arnold H. Huftalen.